



CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: Cost to Grant Two Years Additional Service Credit Under Government Code Section 20903.

MEETING DATE: March 2, 2011

SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Cost to grant two years additional service credit under Government Code Section 20903.

BACKGROUND INFORMATION: The CalPERS two year additional service credit program, as established under California Government Code Section 20903, allows the City (as part of a budget reduction process) to offer a retirement incentive of two years service credit to employees. The current PERS contract allows the City to offer the program to Miscellaneous and Safety employees. The program requires that participating employees be at least fifty (50) years of age, have five (5) years of service credit with PERS, and retire within a specified period of time as identified by the City. The intended effect of offering this incentive is an overall reduction in the workforce.

Government Code Section 7507 requires that the costs to provide this benefit as stated in Attachment A be made public at a public meeting at least two weeks prior to City Council adoption of the Resolution. This communication serves as that public notice. **Note:** Although Attachment A includes the classifications staff is recommending for the additional service credit, we anticipate the cost to be significantly lower as not all employees within these classifications will be offered – and accept – the two years additional service credit retirement option.

As stated earlier, the cost of the program must be made public for a minimum of two weeks. At the March 16, 2011 Council meeting, staff will present the resolution adopting the two years service credit purchase for those employees who will be offered this retirement option.

As a result of the previous three (3) service credit offers, the City has saved approximately \$2.7 million in employee salary and benefits. Additionally, on average it takes the City four (4) months to recoup the cost of offering the two years additional service credit.

FISCAL IMPACT: The cost of this benefit will be amortized over twenty (20) years and included in the City's CalPERS employer contribution rate beginning in **FY 2012/2013**.

FUNDING AVAILABLE: Not applicable.


Dean Gualco, Human Resources Manager

APPROVED:


Konradt Bartlam, City Manager

**TWO YEARS ADDITIONAL SERVICE CREDIT
Section 20903**

ATTACHMENT A

Estimated Employer Cost

Classification	Name	Annual Pay Rate	Cost Factor	PRSA* Yes or No	No PRSA	COLA 3%, 4%, 5%	Additional Employer Contributions
Accountant II	Lourdes Bondoc	\$ 69,982.33	0.56	Yes		No	\$ 39,190.10
Administrative Clerk - PD	Susan Mora	\$ 37,439.44	0.56	Yes		No	\$ 20,966.09
Administrative Secretary - PD	Sandra Meyers	\$ 49,800.81	0.47	Yes		No	\$ 23,406.38
Administrative Secretary - PW(Wastewater)	Diana Gonzales	\$ 49,800.85	0.57	Yes		No	\$ 28,386.48
Dispatch Supervisor	Debra Hammonds	\$ 70,451.57	0.56	Yes		No	\$ 39,452.88
Finance Technician	Gail Glissman	\$ 60,064.16	0.47	Yes		No	\$ 28,230.16
Fire Engineer	Michael Faught	\$ 75,018.00	0.77	No	0.95	No	\$ 54,875.67
Fire Engineer	John Heinrich	\$ 75,018.00	0.77	No	0.95	No	\$ 54,875.67
Fleet and Facilities Manager	Dennis Callahan	\$ 85,019.45	0.56	Yes		No	\$ 47,610.89
Information Systems Specialist	Dale Taylor	\$ 56,818.44	0.47	Yes		No	\$ 26,704.67
Legal Secretary	Peggy Nicolini	\$ 59,055.35	0.47	Yes		No	\$ 27,756.01
Librarian II	Behjat Kerdegari	\$ 65,902.50	0.57	Yes		No	\$ 37,564.43
Librarian II	Sandra S. Smith	\$ 65,902.50	0.56	Yes		No	\$ 36,905.40
Park Maintenance Worker II	James Bosch	\$ 44,207.26	0.47	Yes		No	\$ 20,777.41
Park Maintenance Worker II	Jorge Estrella	\$ 44,207.26	0.53	Yes		No	\$ 23,429.85
Park Maintenance Worker III	Pete Melendez	\$ 48,629.39	0.47	Yes		No	\$ 22,855.81
Park Maintenance Worker III	Daniel Tarnasky	\$ 48,629.39	0.47	Yes		No	\$ 22,855.81
Park Superintendent	Steve Dutra	\$ 85,027.42	0.56	Yes		No	\$ 47,615.36
Park Supervisor	Timothy McGeorge	\$ 61,643.09	0.56	Yes		No	\$ 34,520.13
Park Supervisor	Duane Wright	\$ 61,643.09	0.56	Yes		No	\$ 34,520.13
Purchasing Technician	Sherry Moroz	\$ 47,878.64	0.47	Yes		No	\$ 22,502.96
Senior Police Administrative Clerk	Margie Martin	\$ 43,594.61	0.56	Yes		No	\$ 24,412.98
Senior Police Administrative Clerk	Julie Wall	\$ 43,594.61	0.47	Yes		No	\$ 20,489.47
Sr. Civil Engineer	Wes Fujitani	\$ 95,660.37	0.56	Yes		No	\$ 53,569.81
Sr. Engineering Technician	Rick Kiriu	\$ 70,076.11	0.56	Yes		No	\$ 39,242.62
Sr. Facilities Maintenance Worker	Tom Elhard	\$ 53,599.03	0.56	Yes		No	\$ 30,015.46
Streets & Drainage Superintendent	Curt Juran	\$ 89,278.80	0.56	Yes		No	\$ 49,996.13
Supervising Accountant	Coriene Wadlow	\$ 82,372.07	0.56	Yes		No	\$ 46,128.36
Welder/Mechanic	Ken Gruszie	\$ 53,205.94	0.57	Yes		No	\$ 30,327.39

Salary Savings: \$ 1,793,520.48

Estimated Increase in Employer Contribution:
(Based on \$22,904,740 annual payroll for Misc. & Fire)

0.00326185

*PRSA - Post Retirement Survivor Allowance

Actual Annual Cost: \$ 68,861.63

TWO YEARS ADDITIONAL SERVICE CREDIT

Section 20903

I-2

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Librarian II	Sandra S. Smith	\$ 65,902.50	0.56	Yes		No	\$ 36,905.40
Meter Reader	Vicky Whetstone	\$ 46,510.70	0.47	Yes		No	\$ 21,860.03
* Park Maintenance Worker II	James Bosch	\$ 44,207.26	0.47	Yes		No	\$ 20,777.41
Park Maintenance Worker II	Jorge Estrella	\$ 44,207.26	0.53	Yes		No	\$ 23,429.85
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Streets & Drainage Superintendent	Curl Juran	\$ 89,278.80	0.56	Yes		No	\$ 49,996.13
Supervising Accountant	Coriene Wadlow	\$ 82,372.07	0.56	Yes		No	\$ 46,128.36
Welder/Mechanic	Ken Gruszkie	\$ 53,205.94	0.57	Yes		No	\$ 30,327.39

Salary Savings: \$ 1,840,031.18

Estimated Increase in Employer Contribution:
 (Based on \$22,904,740 annual payroll for Misc. & Fire)

0.003333933

*PRSA - Post Retirement Survivor Allowance

Actual Annual Cost: \$

70,228.34